



NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION

October 7, 2010

Ms. Kimberly Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

**Re: NERC Notice of Penalty regarding Unidentified Registered Entity,
FERC Docket No. NP11-_-000**

Dear Ms. Bose:

The North American Electric Reliability Corporation (NERC) hereby provides this Notice of Penalty¹ regarding an Unidentified Registered Entity (URE), in accordance with the Federal Energy Regulatory Commission's (Commission or FERC) rules, regulations and orders, as well as NERC Rules of Procedure including Appendix 4C (NERC Compliance Monitoring and Enforcement Program (CMEP)).²

During a compliance audit (Audit), Western Electricity Coordinating Council (WECC) discovered violations³ of TPL-002-0 Requirement (R) 1 and R2 and TPL-003-0 R1 and R2. In addition, URE self-reported violations of NERC Reliability Standards to Western Electricity Coordinating Council (WECC). On March 3, 2009, URE self-reported violations of CIP-004-1⁴ R2.1⁵ and R3; on May 6, 2009, violations of CIP-004-1 R2.3 and R3; on June 22, 2009, a violation of CIP-004-1 R4.2; on August 27, 2008, a violation of COM-001-1⁶ R2; on June 8,

¹ *Rules Concerning Certification of the Electric Reliability Organization; and Procedures for the Establishment, Approval, and Enforcement of Electric Reliability Standards* (Order No. 672), III FERC Stats. & Regs. ¶ 31,204 (2006); *Notice of New Docket Prefix "NP" for Notices of Penalty Filed by the North American Electric Reliability Corporation*, Docket No. RM05-30-000 (February 7, 2008). See also 18 C.F.R. Part 39 (2010). *Mandatory Reliability Standards for the Bulk-Power System*, FERC Stats. & Regs. ¶ 31,242 (2007) (Order No. 693), *reh'g denied*, 120 FERC ¶ 61,053 (2007) (Order No. 693-A). See 18 C.F.R. § 39.7(c)(2).

² See 18 C.F.R. § 39.7(c)(2).

³ For purposes of this document, each violation at issue is described as a "violation," regardless of its procedural posture and whether it was a possible, alleged or confirmed violation.

⁴ CIP-004-1 was approved by the Commission on January 18, 2008 and has a mandatory implementation date of July 1, 2008 for registered entities with Balancing Authority and Transmission Operator functions.

⁵ URE revised its self-report for the CIP-004-1 R2.1 violation on March 9, 2009.

⁶ COM-001-1 was enforceable from June 18, 2007 through May 12, 2009. COM-001-1.1 is the current enforceable Standard as of May 13, 2009. The subsequent errata changes do not change the meaning or language of the original

2007, and again on August 8, 2008, a violation of FAC-003-1 R2; on June 1, 2007, a violation of FAC-008-1; and on November 30, 2007, a violation of FAC-009-1. The basis for the above violations is discussed in more detail below and follows the order of the Settlement Agreement.

This Notice of Penalty is being filed with the Commission because WECC and URE have entered into a Settlement Agreement to resolve all outstanding issues arising from a preliminary and non-public assessment resulting in WECC's determination and findings of the enforceable violations of CIP-004-1 R2.1, CIP-004-1 R3, CIP-004-1 R2.3, CIP-004-1 R4.2, COM-001-1 R2, FAC-003-1 R2, FAC-008-1 R1, FAC-009-1 R1, TPL-002-0 R1, TPL-002-0 R2, TPL-003-0 R1 and TPL-003-0 R2. The Settlement Agreement states that these are violations, and URE has agreed to the proposed penalty of one hundred and six thousand dollars (\$106,000) to be assessed to URE, in addition to other remedies and actions to mitigate the instant violations and facilitate future compliance under the terms and conditions of the Settlement Agreement. Accordingly, the violations identified as NERC Violation Tracking Identification Numbers WECC200901336, WECC200901337, WECC200901472, WECC200901473, WECC200901474, WECC200801021, WECC2008010378, WECC200710186, WECC200800610, WECC200801082, WECC200801083, WECC200801084 and WECC200801085 are being filed in accordance with the NERC Rules of Procedure and the CMEP.

Statement of Findings Underlying the Violations

This Notice of Penalty incorporates the findings and justifications set forth in the Settlement Agreement executed on November 17, 2009, by and between WECC and URE, which is included as Attachment a. The details of the findings and basis for the penalty are set forth in the Settlement Agreement and herein. This Notice of Penalty filing contains the basis for approval of the Settlement Agreement by the NERC Board of Trustees Compliance Committee (NERC BOTCC). In accordance with Section 39.7 of the Commission's regulations, 18 C.F.R. § 39.7 (2010), NERC provides the following summary table identifying each violation of a Reliability Standard resolved by the Settlement Agreement, as discussed in greater detail below.

Region	NERC Violation ID	Reliability Std.	Req. (R)	VRF	Total Penalty (\$)
WECC	WECC200901336	CIP-004-1	2.1	Medium ⁷	106,000

NERC Reliability Standard and its requirements. For consistency in this filing, the original NERC Reliability Standard, COM-001-1, is used throughout.

⁷ When NERC filed VRFs, it originally assigned CIP-004-1 R2.1, R2.2 and R2.2.4 "Lower" VRFs. The Commission approved the VRFs as filed; however, it directed NERC to submit modifications. NERC submitted the modified "Medium" VRFs and on January 27, 2009, the Commission approved the modified "Medium" VRFs. Therefore, the "Lower" VRFs for CIP-004-1 R2.1, R2.2 and R2.2.4 were in effect from June 18, 2007 until January 27, 2009 when the "Medium" VRFs became effective. CIP-004-1 R2, R2.2.1, R2.2.2 and R2.3 have "Lower" VRFs.

Region	NERC Violation ID	Reliability Std.	Req. (R)	VRF	Total Penalty (\$)
	WECC200901337	CIP-004-1	3	Medium ⁸	
	WECC200901472	CIP-004-1	2.3	Medium ⁹	
	WECC200901473	CIP-004-1	3	Medium ¹⁰	
	WECC200901474	CIP-004-1	4.2	Medium ¹¹	
	WECC200801021	COM-001-1	2	Medium	
	WECC200810378	FAC-003-1	2	High	
	WECC200710186	FAC-008-1	1	Lower ¹²	
	WECC200800610	FAC-009-1	1	Medium	
	WECC200801082	TPL-002-0	1	High ¹³	
	WECC200801083	TPL-002-0	2	Medium	

⁸ When NERC filed VRFs, it originally assigned CIP-004-1 R3 a “Lower” VRF. The Commission approved the VRF as filed; however, it directed NERC to submit modifications. NERC submitted the modified “Medium” VRF and on January 27, 2009, the Commission approved the modified “Medium” VRF. Therefore, the “Lower” VRF for CIP-004-1 R3 was in effect from June 18, 2007 until January 27, 2009 when the “Medium” VRF became effective. CIP-004-1 R3.1, R3.2 and R3.3 have “Lower” VRFs.

⁹ When NERC filed VRFs, it originally assigned CIP-004-1 R2.1, R2.2 and R2.2.4 “Lower” VRFs. The Commission approved the VRFs as filed; however, it directed NERC to submit modifications. NERC submitted the modified “Medium” VRFs and on January 27, 2009, the Commission approved the modified “Medium” VRFs. Therefore, the “Lower” VRFs for CIP-004-1 R2.1, R2.2 and R2.2.4 were in effect from June 18, 2007 until January 27, 2009 when the “Medium” VRFs became effective. CIP-004-1 R2, R2.2.1, R2.2.2 and R2.3 have “Lower” VRFs.

¹⁰ When NERC filed VRFs, it originally assigned CIP-004-1 R3 a “Lower” VRF. The Commission approved the VRFs as filed; however, it directed NERC to submit modifications. NERC submitted the modified “Medium” VRF and on January 27, 2009, the Commission approved the modified “Medium” VRF. Therefore, the “Lower” VRF for CIP-004-1 R3 was in effect from June 18, 2007 until January 27, 2009 when the “Medium” VRF became effective. CIP-004-1 R3.1, R3.2 and R3.3 have “Lower” VRFs.

¹¹ When NERC filed VRFs, it originally assigned CIP-004-1 R4.2 a “Lower” VRF. The Commission approved the VRF as filed; however, it directed NERC to submit modifications. NERC submitted the modified “Medium” VRF and on January 27, 2009, the Commission approved the modified “Medium” VRF. Therefore, the “Lower” VRF for CIP-004-1 R4.2 was in effect from June 18, 2007 until January 27, 2009 when the “Medium” VRF became effective. CIP-004-1 R4 and R4.1 have “Lower” VRFs.

¹² When NERC filed Violation Risk Factors (VRFs) it originally assigned FAC-008-1 R1.1, R1.2, R1.2.1 and R1.2.2 Lower VRFs. The Commission approved the VRFs as filed; however, it directed NERC to submit modifications. NERC submitted the modified Medium VRFs and on February 6, 2008, the Commission approved the modified Medium VRFs. Therefore, the Lower VRFs for FAC-008-1 R1.1, R1.2, R1.2.1 and R1.2.2 were in effect from June 18, 2007 until February 6, 2008 when the Medium VRFs became effective. FAC-008-1 R1, R1.3 and R1.3.5 have Lower VRFs and FAC-008-1 R1.3.1, R1.3.2, R1.3.3 and R1.3.4 have Medium VRFs.

¹³ TPL-002-0 R1 is designated a “High” VRF and its sub-requirements have “Medium” VRF. When NERC filed VRFs, it originally assigned TPL-002-0 R1 a “Medium” VRF. The Commission approved the VRF as filed; however, it directed NERC to submit modifications. NERC submitted the modified “High” VRF and on August 6, 2007, the Commission approved the modified “High” VRF. Therefore, the “Medium” VRF for TPL-002-0 R1 was in effect from June 18, 2007 until August 6, 2007, until the “High” VRF became effective.

Region	NERC Violation ID	Reliability Std.	Req. (R)	VRF	Total Penalty (\$)
	WECC200801084	TPL-003-0	1	High ¹⁴	
	WECC200801085	TPL-003-0	2	Medium ¹⁵	

CIP-004-1

The purpose of Reliability Standard CIP-004-1 is to ensure that personnel having authorized cyber or unauthorized unescorted physical access to Critical Cyber Assets, including contractors and service vendors, have an appropriate level of personnel risk assessment, training, and security awareness. Reliability Standard CIP-004-1 should be read as part of a group of standards numbered CIP-002-1 through CIP-009-1.

CIP-004-1 R2 (Training) – The Responsible Entity¹⁶ shall establish, maintain, and document an annual cyber security training program for personnel having authorized cyber or authorized unescorted physical access to Critical Cyber Assets, and to review the program annually and update as necessary. R2.1 -This program will ensure that all personnel having such access to Critical Cyber Assets, including contractors and service vendors, be trained within ninety 90 days of such authorization. R.2.2 -Training shall cover the policies, access controls, and procedures as developed for the Critical Cyber Assets covered by CIP-004-1, and include, at a minimum the following required items appropriate to personnel roles and responsibilities: R2.2.1-The proper use of Critical Cyber Assets; R2.2.2 -Physical and electronic access controls to Critical Cyber Assets; R2.2.3 The proper handling of Critical Cyber Asset information; and (R2.2.4) Action plans and procedures to recover or re-establish Critical Cyber Assets and access thereto following a Cyber Security Incident. R2.3 -The Responsible Entity shall maintain documentation that training is conducted at least annually, including the date the training was completed and attendance records.

CIP-004-1 R2, R2.2.1, R2.2.2, R2.2.3 and R2.3 have a “Lower” Violation Risk Factor (VRF) and CIP-004-1 R2.1, R2.2 and R2.2.4 have a “Medium” VRF.

¹⁴ TPL-003-0 R1 is designated a “High” VRF and its sub-requirements have “Medium” VRF.

¹⁵ When NERC filed VRFs, it originally assigned TPL-003-0 R2.2 a “Lower VRF. The Commission approved the VRF as filed; however, it directed NERC to submit modifications. NERC submitted the modified “Medium” VRF and on August 6, 2007, the Commission approved the modified “Medium” VRF. Therefore, the “Lower” VRF for TPL-003-0 R2.2 was in effect from June 18, 2007 until August 6, 2007, when the “Medium” VRF became effective. TPL-003-0 R2, R2.1, R2.1.1, R2.1.2 and R2.1.3 have “Medium” VRFs.

¹⁶ Within the text of the Reliability Standard, “Responsible Entity” shall mean: Reliability Coordinator, Balancing Authority, Interchange Authority, Transmission Service Provider, Transmission Owner, Transmission Operator, Generator Owner, Generator Operator, Load Serving Entity, NERC and Regional Entities. However, the following are exempt: (1) facilities regulated by the U.S. Nuclear Regulatory Commission or the Canadian Nuclear Safety Commission; (2) Cyber Assets associated with communication networks and data communication links between discrete Electronic Security Perimeters; and (3) Responsible Entities that, in compliance with Standard CIP-002, identify that they have no Critical Cyber Assets. Mandatory implementation was phased in for the different functions.

CIP-004-1 R3 (Personal Risk Assessment) – The Responsible Entity shall have a documented personnel risk assessment program, in accordance with federal, state, provincial, and local laws, and subject to existing collective bargaining unit agreements, for personnel having authorized cyber or authorized unescorted physical access. A personnel risk assessment shall be conducted pursuant to that program within thirty days of such personnel being granted such access. Such program shall at a minimum include: (R3.1) The Responsible Entity shall ensure that each assessment conducted includes, at least, identity verification (*e.g.* Social Security Number verification in the U.S.) and seven-year criminal check. The Responsible Entity may conduct more detailed reviews, as permitted by law and subject to existing collective bargaining unit agreements, depending upon the criticality of the position; (R3.2) The Responsible Entity shall update each personnel risk assessment at least every seven years after the initial personnel risk assessment or for cause; and (R3.3) The Responsible Entity shall document the results of personnel risk assessments of its personnel having authorized cyber or authorized unescorted physical access to Critical Cyber Assets, and that personnel risk assessments of contractor and service vendor personnel with such access are conducted pursuant to Reliability Standard CIP-004.

CIP-004-1 R3 has a Medium VRF and its sub-requirements have a “Lower” VRF.

CIP-004-1 R4 (Access) – The Responsible Entity shall maintain list(s) of personnel with authorized cyber or authorized unescorted physical access to Critical Cyber Assets, including their specific electronic and physical access rights to Critical Cyber Assets.

R4.1 The Responsible Entity shall review the list(s) of its personnel who have such access to Critical Cyber Assets quarterly, and update the list(s) within seven calendar days of any change of personnel with such access to Critical Cyber Assets, or any change in the access rights of such personnel. The Responsible Entity shall ensure access list(s) for contractors and service vendors are properly maintained. R4.2 The Responsible Entity shall revoke such access to Critical Cyber Assets within 24 hours for personnel terminated for cause and within seven calendar days for personnel who no longer require such access to Critical Cyber Assets.

CIP-004-1 R4 and R4.1 have a “Lower” VRF and R4.2 has a “Medium” VRF.

CIP-004-1 R2.1 and R3

On February 20, 2009, URE conducted a quarterly personnel review and discovered two employees with access to Critical Cyber Assets, who had no cyber security training or documented personnel risk assessments, as required by CIP-004-1. As a result, on March 3, 2009, URE submitted a Self-Report for CIP-004-1 R2 and R3 and a completed Mitigation Plan to address the violations. URE reported that one of the personnel at issue was a security guard that URE had given authorization to access the System Control Center (SCC), a Critical Cyber Asset, in March 2007. This person was not assigned to the SCC, had never been there, and was

not expected to ever need access. Accordingly, URE removed access authorization for this person on February 18, 2009.

The other employee with access to URE's Critical Cyber Assets was a mailroom supervisor, who also had not received the required personnel risk assessment or cyber security training. The mailroom supervisor had authorized unescorted access to the SCC and had occasion to enter the SCC. After learning of this incident, URE revoked the mailroom supervisor's access authorization on February 24, 2009. To address CIP-004-1 R3, URE reported that it did not have a documented personnel risk assessment program that covered all employees. URE's reported violation stated that it had granted two employees access to Critical Cyber Assets without performing a risk assessment of these employees within thirty days of granting them access to URE's Critical Cyber Assets.

WECC subject matter experts (SMEs) reviewed URE's Self-Report and determined that URE did not properly assess its non-compliance with the requirements of Reliability Standard CIP-004-1. The SMEs contacted URE and recommended that URE retract its original Self-Report and file a new one. On March 9, 2009, URE retracted its original Self-Report and submitted a new Self-Report and completed Mitigation Plan for CIP-004-1 R2.1 and R3 that was accepted by WECC.¹⁷

The SMEs forwarded this information to the WECC Enforcement Department (Enforcement) for its review and consideration. Enforcement reviewed the previous findings and determined that URE had two employees with access to Critical Cyber Assets who were not trained, as required by R2.1. Also, URE did not conduct the personnel risk assessments for these employees, as required by R3.

Accordingly, Enforcement concluded that URE violated CIP-004-1 R2.1 and R3 because it failed to ensure that all personnel having access to Critical Cyber Assets, including contractors and service vendors, were trained within ninety calendar days of such authorization and failed to perform a personnel risk assessment within thirty days of granting these employees access to Critical Cyber Assets.

WECC determined the duration of the violations to be from July 1, 2008, the date the Standards became enforceable, through February 24, 2009, when URE completed its Mitigation Plan.¹⁸

WECC determined that the violations did not create a serious or substantial risk to the bulk power system (BPS) because the security guard never entered the SCC and URE immediately revoked the security guard's access, and the mailroom supervisor, according to personnel records, was an employee with more than twenty years of experience with the company.

¹⁷ The March 9, 2009 revised self-report was dated March 3, 2009.

¹⁸ The Settlement Agreement incorrectly states that the duration of the violation began on June 18, 2007.

CIP-004-1 R2.3 and R3

On April 21, 2009 through April 22, 2009, URE's Compliance Office conducted an internal assessment and compared a list of personnel with unescorted physical or cyber access to the SCC and the Backup Control Center (BCC), both Critical Cyber Assets, with a list of personnel that had completed personnel risk assessments and cyber security training.¹⁹ URE noted one employee with authorized unescorted physical access to the SCC and BCC was not on the list of employees who completed cyber security training and one other employee was not on the list of employees who received a personnel risk assessment. URE determined that it had failed to maintain documentation that it conducts training at least annually and failed in this instance to record the date one employee was last trained, and granted one employee access to Critical Cyber Assets without performing a risk assessment of this employee within thirty days of granting the employee access to URE's Critical Cyber Assets. As a result, on May 6, 2009, URE submitted a Self-Report addressing violations of CIP-004-1 R2.3 and R3.

The SMEs reviewed URE's Self-Report and conducted a telephone interview to make their determination. The SMEs concluded that URE did not maintain documentation that it conducts training at least annually, failed to record the date it had last trained one employee and had failed to document a personnel risk assessment program, in accordance with federal, state, provincial and local laws and subject to existing collective bargaining unit agreements, because it failed to conduct a personnel risk assessment on one employee with authorized unescorted physical access to the BCC in violation of CIP-004-1 R2.3 and R3.

Accordingly, Enforcement concluded that URE violated CIP-004-1 R2.3 and R3 because it had failed to document the date one employee was last trained, that URE had not documented that it conducts training at least annually, and URE failed to ensure that all personnel having access to Critical Cyber Assets received personnel risk assessments.

WECC determined the duration of the violations to be from July 1, 2008, the date the Standards became enforceable, through April 23, 2009, when URE completed its Mitigation Plan.

WECC determined that the violations did not create a serious or substantial risk to the BPS because the first employee who did not complete training had not accessed the SCC or BCC since October 2008 and the second employee who had not received a background check had not accessed the BCC since November 2007. Additionally, the personnel at issue are long-term employees with excellent employment histories.

¹⁹ The Compliance Office requested and received card key access data from the URE system for programming card keys and the card readers to which employees are given access for all doors/entries leading into the SCC and BCC – especially doors leading inside the Physical Security Perimeter (PSP) at the SCC and BCC. The Compliance Office compared the names on the list with the existing list of employees with completed PRAs and cyber security training. Immediately after discovering that there were employees that did not receive a PRA or cyber security training, the Chief Compliance Officer instructed the Compliance Office staff to conduct a thorough investigation of all employees with unescorted physical or cyber access to CCAs (including card key access, “hard” key access and cyber access). See the May 6, 2009 self-report for additional specific information regarding the violations.

CIP-004-1 R4.2

On April 21, 2009 through April 22, 2009, URE's Compliance Office conducted an internal assessment and compared a list of personnel with unescorted physical access to the SCC and BCC with a list of personnel with completed personnel risk assessments and cyber security training. As discussed above, URE noted one employee with authorized unescorted physical access to the SCC and BCC who was not on the list of employees who completed cyber security training. This URE employee with access to Critical Cyber Access had changed job duties and no longer required such access. URE is required to revoke access to Critical Cyber Access within seven calendar days for personnel who no longer require such access to Critical Cyber Assets. The employee with Critical Cyber Assets changed job duties sometime in October of 2008 and no longer required access to Critical Cyber Assets, but URE had failed to revoke his access rights. As a result, on June 22, 2009, URE submitted a Self-Report addressing a violation of CIP-004-1 R4.2.

WECC SMEs determined that this violation relates to URE's Balancing Authority and Transmission Operator functions and that URE was required to be in compliance with this Standard on July 1, 2008. URE was required to revoke access to Critical Cyber Assets for the employee who changed job duties within seven calendar days, and the failure to revoke such access was a violation of CIP-004-1 R4.2.

Accordingly, Enforcement concluded that URE violated CIP-004-1 R4.2 because one URE employee had access to Critical Cyber Assets, changed job roles, and retained access to Critical Cyber Assets for more than seven calendar days even though he no longer required access to the Assets.

WECC determined the duration of the violation to be from July 1, 2008, the date the Standard became enforceable, through April 23, 2009, when URE completed its Mitigation Plan.

WECC determined that the violation did not create a serious or substantial risk to the BPS because, according to personnel files, the employee at issue is a long-term employee with an excellent employment history and had not accessed the SCC or BCC since October 2008.

COM-001-1 R2

The purpose of Reliability Standard COM-001-1 is to ensure that each Reliability Coordinator, Transmission Operator and Balancing Authority has adequate and reliable telecommunications facilities internally and with others for the exchange of Interconnection and operating information necessary to maintain reliability.

COM-001-1 R2 – Each Reliability Coordinator, Transmission Operator, and Balancing Authority shall manage, alarm, test and/or actively monitor vital telecommunications facilities. Special attention shall be given to emergency telecommunications facilities and equipment not used for routine communications. COM-001-1 R2 has a “Medium” VRF.

On July 30, 2008, URE performed a self-evaluation and discovered non-compliance with COM-001-1 R2. On August 27, 2008, URE self-reported that it had failed to actively monitor some alarm points twenty-four hours a day/seven days a week and that it had inadequate procedures in place to document trouble calls and maintenance on telecommunications equipment. URE determined that it needed to improve its procedures to coordinate telecommunications solutions across URE's system.

During the Audit, the Audit Team reviewed the Self-Report and determined URE did not manage, alarm, test and/or actively monitor vital telecommunications facilities, and this failure was a violation of COM-001-1 R2.

Accordingly, Enforcement reviewed the previous findings and concluded that URE violated COM-001-1 R2 because it had failed to actively monitor alarms and document trouble calls and maintenance on telecommunications equipment.

WECC determined the duration of the violation to be from June 18, 2007, the date the Standard became enforceable, through September 15, 2009, when URE completed its Mitigation Plan.

WECC determined that the violation did not create a serious or substantial risk to the BPS because URE has been doing maintenance, responding to alarms and coordinating telecommunications issues with other utilities, but did not have the proper procedures in place and could not produce maintenance logs to verify compliance. During the Audit, WECC determined URE provides redundant, diversely routed and reliable telecommunications assets for the exchange of Interconnection and operating information internally, with the Reliability Coordinator and its adjacent Transmission Owners and Balancing Authorities. Further, WECC determined URE provides a means to coordinate telecommunications among their respective areas and with neighboring entities. This coordination includes the ability to investigate and recommend solutions to telecommunications problems.

FAC-003-1 R2

The purpose of Reliability Standard FAC-003-1 is to improve the reliability of the electric transmission systems by preventing outages from vegetation located on transmission rights-of-way (ROW) and minimizing outages from vegetation located adjacent to ROW, maintaining clearances between transmission lines and vegetation on and along transmission ROW, and reporting vegetation related outages of the transmission systems to the respective Regional Entities and NERC.

FAC-003-1 R2 – The Transmission Owner shall create and implement an annual plan for vegetation management work to ensure the reliability of the system. The plan shall describe the methods used, such as manual clearing, mechanical clearing, herbicide treatment, or other actions. The plan should be flexible enough to adjust to changing conditions, taking into consideration anticipated growth of vegetation and all other environmental factors that may have an impact on the reliability of the transmission systems. Adjustments to the plan shall be documented as they occur. The plan should take into consideration the time

required to obtain permissions or permits from landowners or regulatory authorities. Each Transmission Owner shall have systems and procedures for documenting and tracking the planned vegetation management work and ensuring that the vegetation management work was completed according to work specifications.

FAC-003-1 R2 has a “High” VRF.

On June 4, 2007, URE performed a self-evaluation and discovered non-compliance with FAC-003-1 R2 and on June 8, 2007 submitted a Self-Report to WECC.²⁰ On August 25, 2007, URE submitted a Mitigation Plan with a completion date of September 1, 2007 to address this violation.²¹ On September 19, 2007, URE submitted a completed Mitigation Plan, which included a certified completion date of September 1, 2007. However, on February 29, 2008, WECC rejected this Mitigation Plan because the documentation was incomplete and did not document the existence of an annual vegetation management work plan. Additionally, URE did not provide evidence that it completed vegetation management work according to specifications. Therefore, this violation became a post June 18, 2007 violation.

On April 14, 2008, and April 15, 2008, WECC performed a spot check of URE’s facilities and determined URE’s non-compliance with FAC-003-1 R2 because documentation for its Transmission Vegetation Management Program (TVMP) was incomplete. On August 8, 2008, in response to the spot check, URE submitted a second Self-Report²² for this violation for failing to document the existence of an annual vegetation management work plan because URE could not show how it executed work on its ROW including line patrols.

Enforcement determined that URE had a violation of FAC-003-1 R2 because it could not provide sufficient evidence that it had systems and procedures in place for documenting and tracking planned vegetation management work on its TVMP.

WECC determined the duration of the violation to be from June 18, 2007, the date the Standard became enforceable, through January 23, 2009, when URE completed its Mitigation Plan.

URE did not implement an annual vegetation management plan, did not document adjustments to the plan as they occurred, and did not have systems or procedures for documenting and tracking the planned vegetation management work, as directed by the Requirement. Therefore, WECC determined that this violation posed a risk to the reliability of the BPS. However, in this case the risk for vegetation-caused outages is mitigated because WECC determined URE had been performing maintenance on its ROW, but lacked the documentation to show compliance with the Standard. For these reasons, this violation did not pose a serious or substantial risk to the BPS.

²⁰ The June 4, 2007 self-report is dated August 25, 2005.

²¹ The August 25, 2007 Mitigation Plan is incorrectly dated as August 25, 2005.

²² This Self-Report affirmed the original violation discovered in June 2007.

FAC-008-1 R1

The purpose of Reliability Standard FAC-008-1 is to ensure that Facility Ratings used in the reliable planning and operation of the BPS are determined based on an established methodology or methodologies.

FAC-008-1 R1 – The Transmission Owner and Generator Owner shall each document its current methodology used for developing Facility Ratings (Facility Ratings Methodology) of its solely and jointly owned Facilities. The methodology shall include all of the following:

- (R1.1) A statement that a Facility Rating shall equal the most limiting applicable Equipment Rating of the individual equipment that comprises that Facility;
- (R1.2) The method by which the Rating (of major BPS equipment that comprises a Facility) is determined;
 - (R1.2.1) The scope of equipment addressed shall include, but not be limited to, generators, transmission conductors, transformers, relay protection devices, terminal equipment, and series and shunt compensation devices;
 - (R1.2.2) The scope of Ratings addressed shall include, as a minimum, both Normal and Emergency Ratings;
- (R1.3) Consideration of the following:
 - (R1.3.1) Ratings provided by equipment manufactures;
 - (R1.3.2) Design criteria (*e.g.*, including applicable references to industry Rating practices such as manufacturer’s warranty, IEEE, ANSI or other standards);
 - (R1.3.3) Ambient conditions;
 - (R1.3.4) Operating limitations; and
 - (R1.3.5) Other assumptions.

FAC-008-1 R1 and its sub-requirements R1.3 and R1.3.5 each have a “Lower” VRF. The remaining R1 sub-requirements all have a “Medium” VRF.

On May 22, 2007, URE performed a self-evaluation and discovered non-compliance with FAC-008-1 R1. On June 1, 2007, URE self-reported that it had a Facility Ratings Methodology for each individual type of equipment specified in R1.2.1, but it had not documented its current methodology for developing Facility Ratings of its generation plants.

Enforcement determined that URE had a violation of FAC-008-1 R1 because it failed to document its Facility Ratings Methodology for deriving generation plant Facility Ratings.

WECC determined the duration of the violation to be from June 18, 2007, the date the Standard became enforceable, through September 19, 2007, when URE completed its Mitigation Plan.

WECC determined that the violation did not create a serious or substantial risk to the BPS because URE's facility operational ratings do exist, but only the methodology for deriving generation plant ratings had not been documented.

FAC-009-1 R1

The purpose of Reliability Standard FAC-009-1 is to ensure that Facility Ratings used in the reliable planning and operation of the BPS are determined based on an established methodology or methodologies.

FAC-009-1 R1 – The Transmission Owner and Generator Owner shall each establish Facility Ratings for its solely and jointly owned Facilities that are consistent with the associated Facility Ratings Methodology. FAC-009-1 R1 has a “Medium” VRF.

On November 27, 2007, URE performed a self-evaluation and discovered non-compliance with FAC-009-1 R1. On November 30, 2007, URE self-reported that it had not completed its assessment of generator equipment to determine the most limiting factors as required under FAC-008-1. Thus, because URE did not have a Facility Ratings Methodology until September 19, 2007 for developing the Facility Ratings of its Generation Plants, it could not establish Facility Ratings based on that methodology.

Enforcement determined that URE had a violation of FAC-009-1 R1 because it could not base its Facility Ratings on a documented Facility Ratings Methodology.

WECC determined the duration of the violation to be from June 18, 2007, the date the Standard became enforceable, through July 29, 2008, when URE completed its Mitigation Plan.

WECC determined that the violation did not create a serious or substantial risk to the BPS because although URE's Facility Ratings exist, the methodology for deriving generation plant ratings has not been documented.

TPL-002-0 R1 and R2

The purpose of Reliability Standard TPL-002-0 is that system simulations and associated assessments are needed periodically to ensure that reliable systems are developed that meet specified performance requirements with sufficient lead time, and continue to be modified or upgraded as necessary to meet present and future system needs.

TPL-002-0 R1 – The Planning Authority and Transmission Planner shall each demonstrate through a valid assessment that its portion of the interconnected transmission system is planned such that the Network can be operated to supply projected customer demands and projected Firm (non-recallable reserved) Transmission Services, at all demand levels over the range of forecast system demands, under the contingency conditions as defined in Category B of Table I (included with the Reliability Standard). To be valid, the Planning Authority and Transmission Planner assessments shall: (R1.1) Be made annually; (R1.2) Be

conducted for near-term (years one through five) and longer-term (years six through ten) planning horizons; (R1.3) Be supported by a current or past study and/or system simulation testing that addresses each of the following categories, showing system performance following Category B of Table I (single contingencies). The specific elements selected (from each of the following categories) for inclusion in these studies and simulations shall be acceptable to the associated Regional [Entity(ies)]. (R1.3.1) Be performed and evaluated only for those Category B contingencies that would produce the more severe System results or impacts. The rationale for the contingencies selected for evaluation shall be available as supporting information. An explanation of why the remaining simulations would produce less severe system results shall be available as supporting information; (R1.3.2) Cover critical system conditions and study years as deemed appropriate by the responsible entity; (R1.3.3) Be conducted annually unless changes to system conditions do not warrant such analyses; (R1.3.4) Be conducted beyond the five-year horizon only as needed to address identified marginal conditions that may have longer lead-time solutions; (R1.3.5) Have all projected firm transfers modeled; (R1.3.6) Be performed and evaluated for selected demand levels over the range of forecast system Demands; (R1.3.7) Demonstrate that system performance meets Category B contingencies; (R1.3.8) Include existing and planned facilities; (R1.3.9) Include Reactive Power resources to ensure that adequate reactive resources are available to meet system performance; (R1.3.10) Include the effects of existing and planned protection systems, including any backup or redundant systems; (R1.3.11) Include the effects of existing and planned control devices; (R1.3.12) Include the planned (including maintenance) outage of any bulk electric equipment (including protection systems or their components) at those demand levels for which planned (including maintenance) outages are performed; (R1.4) Address any planned upgrades needed to meet the performance requirements of Category B of Table I; and (R1.5) Consider all contingencies applicable to Category B.

TPL-002-0 R1 has a “High” VRF and all of its sub-requirements have “Medium” VRFs.

TPL-002-0 R2 – When System simulations indicate an inability of the systems to respond as prescribed in Reliability Standard TPL-002-0 R1, the Planning Authority and Transmission Planner shall each: (R2.1) Provide a written summary of its plans to achieve the required system performance as described above throughout the planning horizon: (R2.1.1) Including a schedule for implementation, (R2.1.2) Including a discussion of expected required in-service dates of facilities, and (R2.1.3) Consider lead times necessary to implement plans; and (R2.2) Review, in subsequent annual assessments, (where sufficient lead time exists), the continuing need for identified system facilities. Detailed implementation plans are not needed.

TPL-002-0 R2 and all of its sub-requirements have “Medium” VRFs.

During the Audit, the Audit Team found that URE's transmission planning assessment required under TPL-002-0 R1 did not include studies that demonstrate that its system can operate to meet Category B contingencies, as required by R1.3.7. URE had conducted power-flow studies, but not post-transient stability studies and URE's transmission and distribution planning engineers verified that URE did not undertake such studies. In addition, URE's planning engineers disclosed that they lacked the technical knowledge required to perform stability studies. Under TPL-002-0 R2, URE did not have an adequate corrective action plan to remedy a failure to meet performance criteria in its N-1 assessment. URE's N-1 assessment identified instances where URE's system did not perform without shedding load as part of the contingency plan. It was the Audit Team's position that URE's plan to achieve required system performance could not rely on load shedding because load shedding constitutes a failure to meet performance criteria. Furthermore, URE did not have a written, detailed corrective action plan to address this problem. URE's planning engineers believed that using load shedding as part of the contingency plan satisfied performance criteria because URE has a radial system. However, the Audit Team determined that URE's interpretation of "radial system" was not consistent with the WECC definition and concluded that the URE split system is not a radial system. Accordingly, the Audit Team determined URE had violations of TPL-002-0 R1 and R2.

Enforcement reviewed the audit findings and determined that URE had violations of TPL-002-0 R1 and R2 because URE's planning assessment was based on power-flow studies only; a transient stability analysis and a transient voltage analysis were missing from URE's assessment; URE's system is not a radial system and, therefore, the load shedding in the URE assessment constitutes a failure to meet performance criteria; and URE is required to have a written summary of plans to achieve required system performance without shedding load and URE did not have such plans. As a result, Enforcement concluded that URE had failed to demonstrate that its system could operate to meet Category B contingencies.

WECC determined the duration of the violations to be from June 18, 2007, the date the Standards became enforceable, through September 15, 2009, when URE completed its Mitigation Plan.²³

WECC determined that the violations did not create a serious or substantial risk to the BPS because of URE's relative size and location. URE has access to ample outside energy resources if needed for real-time operations and the non-compliance described herein deals only with a long-term planning horizon.

TPL-003-0 R1 and R2

The purpose of Reliability Standard TPL-003-0 is that system simulations and associated assessments are needed periodically to ensure that reliable systems are developed that meet specified performance requirements, with sufficient lead time and continue to be modified or upgraded as necessary to meet present and future system needs.

²³ The Settlement Agreement incorrectly states that the violations end on September 30, 2009.

TPL-003-0 R1 – The Planning Authority and Transmission Planner shall each demonstrate through a valid assessment that its portion of the interconnected transmission system is planned such that the Network can be operated to supply projected customer demands and projected Firm (non-recallable reserved) Transmission Services, at all demand levels over the range of forecast system demands, under the contingency conditions as defined in Category C of Table I (included with the Reliability Standard). The controlled interruption of customer Demand, the planned removal of generators, or the Curtailment of firm (non-recallable reserved) power transfers may be necessary to meet this standard. To be valid, the Planning Authority and Transmission Planner assessments shall: (R1.1) Be made annually (R1.2) Be conducted for near-term (years one through five) and longer-term (years six through ten) planning horizons (R1.3) Be supported by a current or past study and/or system simulation testing that addresses each of the following categories, showing system performance following Category C of Table I (multiple contingencies). The specific elements selected (from each of the following categories) for inclusion in these studies and simulations shall be acceptable to the associated Regional [Entity(ies)]. (R1.3.1) Be performed and evaluated only for those Category C contingencies that would produce the more severe System results or impacts. The rationale for the contingencies selected for evaluation shall be available as supporting information. An explanation of why the remaining simulations would produce less severe system results shall be available as supporting information; (R1.3.2) Cover critical system conditions and study years as deemed appropriate by the responsible entity; (R1.3.3) Be conducted annually unless changes to system conditions do not warrant such analyses; (R1.3.4) Be conducted beyond the five-year horizon only as needed to address identified marginal conditions that may have longer lead-time solutions; (R1.3.5) Have all projected firm transfers modeled; (R1.3.6) Be performed and evaluated for selected demand levels over the range of forecast system Demands; (R1.3.7) Demonstrate that system performance meets Table 1 for Category C contingencies ; (R1.3.8) Include existing and planned facilities; (R1.3.9) Include Reactive Power resources to ensure that adequate reactive resources are available to meet system performance; (R1.3.10) Include the effects of existing and planned protection systems, including any backup or redundant systems; (R1.3.11) Include the effects of existing and planned control devices; (R1.3.12) Include the planned (including maintenance) outage of any bulk electric equipment (including protection systems or their components) at those Demand levels for which planned (including maintenance) outages are performed; (R1.4) Address any planned upgrades needed to meet the performance requirements of Category C; and (R1.5) Consider all contingencies applicable to Category C.

TPL-003-0 R1 has a “High” VRF and all of its sub-requirements have “Medium” VRFs.

TPL-003-0 R2 – When System simulations indicate an inability of the systems to respond as prescribed in Reliability Standard TPL-003-0 R1, the Planning

Authority and Transmission Planner shall each: (R2.1) Provide a written summary of its plans to achieve the required system performance as described above throughout the planning horizon: (R2.1.1) Including a schedule for implementation, (R2.1.2) Including a discussion of expected required in-service dates of facilities, and (R2.1.3) Consider lead times necessary to implement plans; and (R2.2) Review, in subsequent annual assessments, (where sufficient lead time exists), the continuing need for identified system facilities. Detailed implementation plans are not needed.

TPL-003-0 R2 and all of its sub-requirements have “Medium” VRFs.

During the Audit, the Audit Team found that URE’s transmission planning assessment required under TPL-003-0 R1 did not include studies that demonstrate that its system can operate to meet Category C contingencies. URE had conducted power-flow studies, but not post-transient stability studies and URE’s transmission and distribution planning engineers verified that URE did not undertake such studies. In addition, URE’s planning engineers disclosed that they lacked the technical knowledge required to perform stability studies. Under TPL-003-0 R2, URE did not have an adequate corrective action plan to remedy a failure to meet performance criteria in its N-2 assessment. URE’s N-2 assessment identified instances where URE’s system did not perform without shedding load as part of the contingency plan. It was the Audit Team’s position that URE’s plan to achieve required system performance could not rely on load shedding because load shedding constitutes a failure to meet performance criteria if it is not controlled. Furthermore, URE did not have a written, detailed corrective action plan to achieve the required system performance. Although URE’s assessment included written summaries of its plans to achieve the required system performance, the summaries did not address all of the required elements of R2, specifically, R2.1.1 a schedule for implementation, R2.1.2 a discussion of expected required in-service dates of facilities, and R2.1.3 lead times necessary to implement plans. URE’s planning engineers believed that using load shedding as part of the contingency plan satisfied performance criteria because URE has a radial system. The Audit Team determined that URE’s interpretation of "radial system" was not consistent with the WECC definition and concluded that the URE split system is not a radial system. Accordingly, the Audit Team determined URE had violations of TPL-003-0 R1 and R2.

Enforcement determined that URE had violations of TPL-003-0 R1 and R2 because URE’s planning assessment was based on power-flow studies only; a transient stability analysis and a transient voltage analysis were missing from URE’s assessment; URE’s system is not a radial system and, therefore, the load shedding in the URE assessment constitutes a failure to meet performance criteria; and URE is required to have a written summary of plans to achieve required system performance without shedding load. As a result, Enforcement concluded that URE had failed to demonstrate that its system could operate to meet Category C contingencies.

WECC determined the duration of the violations to be from June 18, 2007, the date the Standards became enforceable, through September 15, 2009, when URE completed its Mitigation Plan.²⁴

²⁴ The Settlement Agreement incorrectly states that the violations end on September 30, 2009.

WECC determined that the violations did not create a serious or substantial risk to the BPS because of URE's relative size and location. URE has access to ample outside energy resources if needed for real-time operations and the non-compliance described herein deals only with a long-term planning horizon.

Regional Entity's Basis for Penalty

According to the Settlement Agreement, WECC assessed an aggregate penalty of one hundred and six thousand dollars (\$106,000) for the referenced violations. In reaching this determination, WECC considered the following factors:

1. the violations are URE's first assessed non-compliances of NERC Reliability Standards;
2. URE self-reported nine of thirteen violations;²⁵
3. URE was cooperative throughout the compliance enforcement process;
4. during the Audit, the Audit Team evaluated URE's Internal Compliance Program (ICP) using the Compliance Program Audit Worksheet.²⁶ The Audit Team found that: (1) URE has a fully documented ICP that has been reviewed and approved by the Superintendent; (2) URE's oversight position is identified and staffed, and is supervised at a high level within the company; (3) the ICP oversight position has direct access to the Superintendent and city council; (4) URE operates and manages the ICP so that it is independent from personnel responsible for compliance with the Reliability Standards; (5) the ICP has sufficient staff and an adequate budget; (6) URE senior management support and participate in the ICP; and (7) URE's ICP has a semi-annual or shorter review cycle. Based on these findings, WECC concluded that URE has an effective compliance culture.
5. there was no evidence of any attempt to conceal a violation nor evidence of intent to do so; and
6. WECC determined the violations did not pose a serious or substantial risk to the BPS, as discussed above.

After consideration of the above factors, WECC determined that, in this instance, the penalty amount of one hundred and six thousand dollars (\$106,000) is appropriate and bears a reasonable relation to the seriousness and duration of the subject violations.

²⁵ The Settlement Agreement incorrectly states that six of the confirmed violations were self-reported.

²⁶ The original ICP dated 9/2/2008 was updated, approved and signed on September 2, 2008 after the General Manager added more information regarding the possible disciplinary action for violations.

Status of Mitigation Plan²⁷

CIP-004-1 R2.1 and R3

URE's Mitigation Plan to address its violation of CIP-004-1 R2.1 and R3 was submitted to WECC on March 9, 2009 already completed.²⁸ The Mitigation Plan was accepted by WECC on April 3, 2009 and approved by NERC on April 28, 2009. The Mitigation Plan for this violation is designated as MIT-09-1626 and was submitted as non-public information to FERC on April 29, 2009 in accordance with FERC orders.

The Mitigation Plan required URE (1) to immediately revoke the access rights of the two people that had unauthorized access; (2) to bring the matter before URE's executive management, which took this matter seriously, addressed it immediately upon learning about it, raised the matter to the Superintendent level (CEO-equivalent) very quickly, and executive management considered various options to prevent a recurrence; and (3) to ensure it has performed the required background checks and provided cyber security training as required by CIP-004-1, for personnel having authorized cyber or authorized unescorted physical access to Critical Cyber Assets.

In addition, to prevent future risk to the BPS, URE's Mitigation Plan required each URE employee requesting access to a Critical Cyber Asset to go through a personnel risk assessment and cyber security training before getting access to Critical Cyber Assets (the Standard provides that a background check and training can be conducted after the person receives access). In the short-term, URE's Compliance Office will consider granting access to the person only when the proper documentation indicates that those requirements (background check and training) are met.

URE certified in its Mitigation Plan that it was compliant on February 24, 2009, the last date access to URE's SCC was finally revoked for an employee without proper authorization, thus aligning URE's list of personnel who received cyber security training and personnel risk assessments with URE's list of employees having access to Critical Cyber Assets. As evidence of completion of its Mitigation Plan, WECC reviewed the following evidence: (1) interview with URE's Chief Compliance Officer; (2) the April 1, 2009 submittal on URE letterhead; and (3) the April 2, 2009 submittal from URE, substantiating implementation with appropriate authoritative staff in charge of access authorization.

On April 3, 2009, after reviewing URE's submitted evidence, WECC verified that URE's Mitigation Plan was completed and notified URE in a letter dated April 29, 2009, that URE was in compliance with CIP-004-1 R2.1 and R3.

CIP-004-1 R2.3 and R3

URE's Mitigation Plan to address its violation of CIP-004-1 R2.3 and R3 was submitted to WECC on May 6, 2009 as already completed. The Mitigation Plan was accepted by WECC on March 2, 2010 and approved by NERC on February 19, 2010. The Mitigation Plan for this

²⁷ See 18 C.F.R § 39.7(d)(7).

²⁸ The original Mitigation Plan was submitted on March 3, 2009; however, WECC had URE submit a revised Mitigation Plan to identify the requirements of the Standard accurately.

violation is designated as MIT-08-2324 and was submitted as non-public information to FERC on February 19, 2010 in accordance with FERC orders.²⁹

The Mitigation Plan required URE to disable the access to the SCC and BCC of the subject employees. The Chief Compliance Officer met with URE to review the facts and decided that due to the several errors committed by the URE Facilities group, URE would no longer rely on the Facilities group to administer the card key access activities at URE and the function would be transferred to the Security document. The Chief Compliance Officer reviewed the processes used to grant and revoke card key access and created a flow chart of how to improve the process on an interim basis.³⁰ The Chief Compliance Officer conducted meetings with various departments to discuss the event and how to prevent a similar event from occurring in the future and at the outcome of the meetings, the attendees agreed to change the process for granting and disabling card key access to facilities containing CCAs and developed an access control plan. Additionally, URE conducted training for those personnel having access to Critical Cyber Assets as required by its personnel risk assessment program and for each personnel risk assessment to be conducted pursuant to that program before such personnel is being granted such access.

URE certified in its Mitigation Plan that it was compliant on April 23, 2009, the date two employees with unescorted access to Critical Cyber Assets had those rights disabled, thus aligning URE's list of personnel who received cyber security training with URE's list of employees having access to Critical Cyber Assets. As evidence of completion of its Mitigation Plan, WECC reviewed the following evidence: (1) interview and attestation from URE's Chief Compliance Officer; (2) details from the Mitigation Plan and Certification of Completion contained therein and (3) PRA training records.

On March 2, 2010, after reviewing URE's submitted evidence, WECC verified that URE's Mitigation Plan was completed and notified URE that it was in compliance with CIP-004-1 R2.3 and R3.

CIP-004-1 R4.2

URE's Mitigation Plan to address its violation of CIP-004-1 R4.2 was submitted to WECC on June 30, 2009³¹ with a proposed completion date of October 31, 2009. The Mitigation Plan was accepted by WECC on October 7, 2009 and approved by NERC on October 27, 2009. The Mitigation Plan for this violation is designated as MIT-08-2062 and was submitted as non-public information to FERC on October 27, 2009 in accordance with FERC orders.

URE could not deliver its last Mitigation Plan milestone requiring role based training to its employees by the approved completion date and therefore requested an extension. URE submitted a Revised Mitigation Plan to address its violation of CIP-004-1 R4.2 to WECC on

²⁹ NERC approved the Mitigation Plan and submitted it to FERC prior to the plan being approved by WECC.

³⁰ At the time of the Mitigation Plan submittal, URE already had a project underway to automate access controls; however, the automated process would not be completed until later that year.

³¹ URE's first Mitigation Plan for CIP-004-1 R4.2 was submitted June 22, 2009, but the Certification of Mitigation Plan Completion of April 23, 2009 within the plan was deemed unreasonable by WECC. The Settlement Agreement incorrectly refers to this unapproved plan.

October 20, 2009 with a proposed completion date of December 18, 2009. The Mitigation Plan was accepted by WECC on November 12, 2009, and approved by NERC on February 19, 2010. MIT-08-2062 was submitted as non-public information to FERC on February 19, 2010 in accordance with FERC orders.

URE's Mitigation Plan required URE to timely disable access to Critical Cyber Assets for those personnel with unescorted physical access who no longer require access, including those who did not complete cyber security training. Specifically, the following actions were required by URE:

- the Chief Compliance Officer met with URE's to review the facts and decided that due to the several errors committed by the URE Facilities group, URE would no longer rely on the Facilities group to administer the card key access activities at URE and the function would be transferred to the Security document;
- the Chief Compliance Officer reviewed the processes used to grant and revoke card key access and created a flow chart of how to improve the process on an interim basis;³²
- the Chief Compliance Officer conducted meetings with various departments to discuss the event and how to prevent a similar event from occurring in the future and at the outcome of the meetings, the attendees agreed to change the process for granting and disabling card key access to facilities containing CCAs and developed an access control administrator transmission plan;
- Centralize the 24-hour disable process;
- Centralize the 7-day disable process;
- Implement the spot check process for records and systems access;
- Develop and implement the on-boarding process for a centralized point of contact (the Security department) to perform personnel risk assessment and cyber security training; and
- Complete access control training for all required personnel.

URE certified on December 18, 2009 that its Mitigation Plan was completed on December 8, 2009. As evidence of completion of its Mitigation Plan, WECC reviewed the following evidence: a CCA access rights review; a confidential Master List; a confidential review of NERC access list; and additional documentation.

On April 2, 2010, after reviewing URE's submitted evidence, WECC verified that URE's Mitigation Plan was completed and notified URE in a letter dated April 14, 2010, that URE was in compliance with CIP-004-1 R4.2.

COM-001-1 R2

URE's Mitigation Plan to address its violation of COM-001-1 R2 was submitted to WECC on September 30, 2008³³ with a proposed completion date of September 30, 2009. The Mitigation Plan was accepted by WECC on October 30, 2008 and approved by NERC on August 27, 2009.

³² At the time of the Mitigation Plan submittal, URE already had a project underway to automate access controls; however, the automated process was not be completed until later that year.

³³ URE's first Mitigation Plan for COM-001-1 R2 was submitted August 27, 2008, but the expected completion date of June 30, 2010 was deemed unreasonable by WECC.

The Mitigation Plan for this violation is designated as MIT-08-1182 and was submitted as non-public information to FERC on August 27, 2009 in accordance with FERC orders.

URE's Mitigation Plan required documenting proper procedures for monitoring alarms on a continuous basis, performing maintenance, responding to alarms, coordinating telecommunications issues with other utilities and producing maintenance logs to demonstrate compliance with the Standard. Specifically, the following actions were required by URE:

- Complete development and design of monitoring and alarming system and begin designing physical and electronic infrastructure, as required by completed system design;
- Submit quarterly report
- Complete designing physical and electronic infrastructure, as required by completed system design;
- Receive materials for support of physical and electronic infrastructure and begin installing physical and electronic infrastructure and grooming network as needed to meet alarming needs;
- Complete installation of physical and electronic infrastructure and grooming of network as needed to meet alarming needs;

- Write and distribute memorandum to System Control Center dispatchers describing alarm relevance and call out procedure;
- Install, test and implement monitoring and alarming system; and
- Reach compliance and submit quarterly report to WECC.

URE certified on September 29, 2009 that the above Mitigation Plan requirements were completed as of September 15, 2009. URE submitted five milestone updates dated December 22, 2008, March 6, 2009, March 27, 2009, June 10, 2009 and September 11, 2009 in accordance with its Mitigation Plan. The design, installation and implementation of an alarm system for URE's fiber optic facilities and a hydroelectric project actively ensures that vital telecommunications facilities are monitored on a continuous basis and employs procedures to document trouble calls and maintenance on the equipment. URE submitted the following as evidence of completion of its Mitigation Plan:

- Memorandum regarding communications alarming;
- Memorandum regarding call out-repair dispatch procedures;
- Memorandum regarding communications circuit alarm;
- URE's numbered dispatching Memorandum on Communications Operations Normal and Abnormal;
- Memorandum regarding repair logs;
- Minor Alarms Functional/Elementary diagram;
- Dispatcher General Log;
- Dispatcher General Log;
- Area alarms;
- URE Vital Telecommunications Facilities List; and
- URE Alarmed Telecom. Equipment and Circuits List.

After WECC's review of URE's submitted evidence, WECC verified that URE's Mitigation Plan was completed and notified URE in a letter dated December 18, 2009 that it was in compliance with COM-001-1 R2.

FAC-003-1 R2

URE's Mitigation Plan to address its violation of FAC-003-1 R2 was submitted to WECC on August 25, 2007³⁴ with a proposed completion date of September 1, 2007. The Mitigation Plan was accepted by WECC on October 2, 2008 and approved by NERC on June 25, 2009. The Mitigation Plan for this violation is designated as MIT-07-1794 and was submitted as non-public information to FERC on June 30, 2009 in accordance with FERC orders.

On February 29, 2008, WECC rejected the completed Mitigation Plan because the documentation URE submitted was incomplete. URE submitted another Mitigation Plan on August 8, 2008 that was rejected on September 12, 2008 because the proposed completion date of January 1, 2010 exceeded an appropriate time frame. On September 12, 2008, URE submitted a milestone update to WECC and then on September 30, 2008, URE requested an extension of the completion date to December 31, 2008. On October 2, 2008, WECC reviewed the revised plan and determined that the plan was adequate and included a reasonable completion date of December 31, 2008. Accordingly, WECC accepted URE's revised plan on October 2, 2008. On December 22, 2008, URE revised its plan again and requested an extension of time to June 30, 2009. URE explained that it could not complete all vegetation management work before the onset of winter weather. On December 29, 2008, WECC determined that URE was exceeding the measures required for compliance with this Standard and did not need another extension of time. As a result, on December 30, 2008, URE submitted a revised plan with an earlier completion date.

The acceptable Revised Mitigation Plan to address URE's violation of FAC-003-1 R2 was submitted to WECC on December 30, 2008 with a new proposed completion date of January 30, 2009. The Mitigation Plan was accepted by WECC on January 2, 2009, and approved by NERC on February 22, 2010. MIT-07-1794 was submitted as non-public information to FERC on February 22, 2010 in accordance with FERC orders.

URE's Mitigation Plan required URE to create and implement an annual plan for vegetation management work and provide evidence of systems and procedures for documenting the vegetation management work. URE added a post maintenance inspection to verify that the TVMP work was completed as specified in the work plan.

URE certified on January 23, 2009 that the above Mitigation Plan requirements were completed as of that same day. WECC determined that URE had created an annual plan for vegetation management work; provided flexibility in its annual plan for changing conditions, taking into

³⁴ When this Mitigation Plan, MIT-07-1794, was submitted to FERC, it was incorrectly recorded that the Mitigation Plan was submitted to WECC on September 29, 2008 with a proposed completion date of December 31, 2008; also, the document incorrectly stated the date as August 25, 2005.

account vegetation growth and other environmental factors; documented adjustments to the annual plan as such adjustments occurred; considered the time required to obtain permission or permits from landowners or regulated authorities; and developed systems and procedures for tracking planned vegetation management work, including ensuring that URE completes work according to appropriate specifications. URE submitted the following as evidence of completion of its Mitigation Plan:

- TVMP
- Transmission Action Log
- Sample Documents dated
- Transmission Document dated

On February 23, 2009, after WECC's review of URE's submitted evidence, WECC verified that URE's Mitigation Plan was completed on January 23, 2009 and notified URE in a letter dated February 25, 2009 that it was in compliance with FAC-003-1 R2.

FAC-008-1 R1

URE's Mitigation Plan to address its violation of FAC-008-1 R1 was submitted to WECC on June 1, 2007³⁵ with a proposed completion date of September 30, 2007. The Mitigation Plan was accepted by WECC on July 2, 2008 and approved by NERC on June 25, 2009. The Mitigation Plan for this violation is designated as MIT-07-1782 and was submitted as non-public information to FERC on June 30, 2009 in accordance with FERC orders.

URE's Mitigation Plan required URE to document a Facility Ratings Methodology to be used for developing the Facility Ratings of its solely and jointly owned facilities. However, URE failed to submit a 3-month milestone update by August 31, 2007 documenting the methodologies for rating its generation plants. Although URE self-reported this violation before June 18, 2007, it became a post-June 18 violation because URE failed to complete its approved Mitigation Plan as required.

URE certified on December 13, 2007³⁶ that the above Mitigation Plan requirements were completed on September 19, 2007. URE submitted a Generating Facility Rating Methodology dated September 11, 2007 as evidence of completion of its Mitigation Plan.

On July 2, 2008, after WECC's review of URE's submitted evidence, WECC verified that URE's Mitigation Plan was completed and notified URE in a letter dated July 16, 2008 that it was in compliance with FAC-008-1 R1.

³⁵ When this Mitigation Plan, MIT-07-1782, was submitted to FERC, it was incorrectly recorded that the Mitigation Plan was submitted to WECC on November 30, 2007.

³⁶ The Settlement Agreement incorrectly states that a revised completed Mitigation Plan was submitted to WECC on January 11, 2008. WECC received an e-mail from URE on January 15, 2008 containing the Certification of Mitigation Plan Completion scanned file dated January 11, 2008 with URE's generating Facility Rating Methodology procedure.

FAC-009-1 R1

URE's Mitigation Plan to address its violation of FAC-009-1 R1 was submitted to WECC on November 30, 2007 with a proposed completion date of April 30, 2008. The Mitigation Plan was accepted by WECC on January 30, 2008 and approved by NERC on September 3, 2008. The Mitigation Plan for this violation is designated as MIT-07-0700 and was submitted as non-public information to FERC on September 3, 2008 in accordance with FERC orders.

On April 3, 2008, URE requested an extension of the Mitigation Plan with a revised completion date of July 31, 2008. URE explained that it needed more time to evaluate equipment portions that limit facility ratings. WECC reviewed URE's extension request and determined that the revised timeframe was appropriate given the requirements of the plan and granted URE's request on May 22, 2008.

URE's Mitigation Plan required it to complete an assessment of generator equipment and use the Facility Ratings Methodology required under FAC-008-1 to develop the Facility Ratings of its solely and jointly owned facilities.

URE certified on July 29, 2008 that the above Mitigation Plan requirements were completed on that same day. At the Audit, the Audit Team reviewed the following evidence of completion of URE's Mitigation Plan:

- Example of established ratings for overhead line
- Example of calculation using IEEE Standard 738-93
- Operator's diagram to show terminal ratings
- Example of bus ratings - information from system loading guide
- Example of documentation showing bank ratings during various seasons
- Example of documentation for bank load-ability
- Transmission line data and rating
- Output file from calculation program
- Loading criteria for underground cables
- Overhead bus conductors - information from system loading guide
- Output run from PT Load program
- Input criteria used in PT Load to calculate the load-ability of a transformer versus ambient temperature
- URE Transmission Facility Rating Methodology
- URE Generation Methodology
- URE Planning and Reliability Criteria
- URE Transmission Line Ratings Manual
- Line Rating Study
- Area Upgrade Study Report
- URE Transformer Ratings Manual
- Substation Transformer Rating Study Report
- Evidence of information exchanges

- URE System Loading Guide

On September 12, 2008, after WECC's review of URE's submitted evidence, WECC verified that URE's Mitigation Plan was completed and notified URE in a letter dated April 1, 2010 that it was in compliance with FAC-009-1 R1.

TPL-002-0 R1 and R2

URE's Mitigation Plan to address its violations of TPL-002-0 R1 and R2 was submitted to WECC on October 28, 2008 with a proposed completion date of September 30, 2009.³⁷ The Mitigation Plan was accepted by WECC on December 18, 2008,³⁸ and approved by NERC on January 23, 2009. The Mitigation Plan for the violations is designated as MIT-08-1303 and was submitted as non-public information to FERC on January 28, 2009 in accordance with FERC orders.

URE stated in its initial Mitigation Plan, that it would submit a revised plan if URE decided to hire an outside contractor. URE hired a power pool to perform transient stability studies and a Revised Mitigation Plan to address its violations of TPL-002-0 R1 and R2 was submitted to WECC on December 30, 2008 with the same proposed completion date of September 30, 2009.³⁹ The Mitigation Plan was accepted by WECC on January 13, 2009, and approved by NERC on February 19, 2010. MIT-08-1303 was submitted as non-public information to FERC on February 19, 2010 in accordance with FERC orders.

URE's Mitigation Plan required URE to hire a contractor to conduct post-transient stability studies incorporating the performance of all TPL-002-0 required Category B contingencies as required by R1. In addition, URE was to install a power flow and stability program software on its workstations, obtain training for URE staff on running the stability software (completed November 2008), which would enable URE to perform stability studies in-house. URE was to also provide a written summary of the assessment results addressing all required elements in R2. Successful completion of this Mitigation Plan will ensure that URE performs the necessary analyses to avoid the shedding of load in response to Category B contingencies and will also ensure that URE performs stability analyses as needed to support the reliable operation of its system.

URE certified⁴⁰ on September 30, 2009 that its Mitigation Plan was completed as of September 15, 2009. As evidence of completion of its Mitigation Plan, URE submitted its stability studies performed by a power pool. URE transmission planners identified solutions to performance deviations that did not involve load shedding and most of the solutions involved revisions to the study cases and case parameters. The corrected studies demonstrated that URE's transmission

³⁷ When this Mitigation Plan, MIT-08-1303, was submitted to FERC, it was incorrectly recorded that the Mitigation Plan was submitted to WECC on November 4, 2008 with the proposed completion date of December 31, 2009.

³⁸ The Settlement Agreement incorrectly states the Mitigation Plan was accepted by WECC on January 13, 2009.

³⁹ The Settlement Agreement incorrectly states December 30, 2009.

⁴⁰ The Certification incorrectly states that WECC accepted the Mitigation Plan on February 23, 2009.

system met the performance criteria for TPL-002-0 without requiring any additional transmission facilities and no summary of plan was required.

On October 15, 2009, after WECC's review of URE's submitted evidence, WECC verified that URE's Mitigation Plan was completed and notified URE in a letter dated November 10, 2009 that it was in compliance with TPL-002-0 R1 and R2.

TPL-003-0 R1 and R2

URE's Mitigation Plan to address its violations of TPL-003-0 R1 and R2 was submitted to WECC on October 31, 2008⁴¹ with a proposed completion date of September 30, 2009. The Mitigation Plan was accepted by WECC on December 18, 2008, and approved by NERC on January 23, 2009. The Mitigation Plan for the violations is designated as MIT-08-1304 and was submitted as non-public information to FERC on January 28, 2009 in accordance with FERC orders.

URE stated in its initial Mitigation Plan, that it would submit a revised plan if URE decided to hire an outside contractor. URE hired a power pool to perform transient stability studies and a Revised Mitigation Plan to address its violations of TPL-003-0 R1 and R2 was submitted to WECC on December 30, 2008 with the same proposed completion date of September 30, 2009. The Mitigation Plan was accepted by WECC on January 13, 2009, and approved by NERC on February 19, 2010. MIT-08-1304 was submitted as non-public information to FERC on February 19, 2010 in accordance with FERC orders.

URE's Mitigation Plan required URE to hire a contractor to conduct transient stability studies incorporating the performance of all TPL-003-0 required Category C contingencies as required by R1. In addition, URE was to install software on its workstations, obtain training for URE staff on running the stability software (completed November 2008), which would enable URE to perform stability studies in-house. URE was to also provide a written summary of the assessment results addressing all required elements in R2. Successful completion of this Mitigation Plan will ensure that URE performs the necessary analyses to avoid the shedding of load in response to Category C contingencies and will also ensure that URE performs stability analyses as needed to support the reliable operation of its system.

URE certified on September 30, 2009 that its Mitigation Plan was completed as of September 15, 2009. As evidence of completion of its Mitigation Plan, URE submitted its stability studies performed by a power pool in which eight performance deviations were initially found. URE planners reviewed and corrected several data errors, ran the studies again, and identified two performance deviations. URE also developed a written summary of its plans to correct the two performance violations.

⁴¹ When this Mitigation Plan, MIT-08-1304, was submitted to FERC, it was incorrectly recorded that the Mitigation Plan was submitted to WECC on November 4, 2008.

On October 15, 2009 and October 16, 2009, after WECC's review of URE's submitted evidence, WECC verified that URE's Mitigation Plan was completed and notified URE in a letter dated November 10, 2009 that it was in compliance with TPL-003-0 R1 and R2.

Statement Describing the Proposed Penalty, Sanction or Enforcement Action Imposed⁴²

Basis for Determination

Taking into consideration the Commission's direction in Order No. 693, the NERC Sanction Guidelines and the Commission's July 3, 2008 and October 26, 2009 Guidance Orders,⁴³ the NERC BOTCC reviewed the Settlement Agreement and supporting documentation on March 10, 2010. The NERC BOTCC approved the Settlement Agreement, including WECC's imposition of a financial penalty, assessing a penalty of one hundred six thousand dollars (\$106,000) against URE and other actions to facilitate future compliance required under the terms and conditions of the Settlement Agreement. In approving the Settlement Agreement, the NERC BOTCC reviewed the applicable requirements of the Commission-approved Reliability Standards and the underlying facts and circumstances of the violations at issue.

In reaching this determination, the NERC BOTCC considered the following factors:

1. the violations are URE's first assessed non-compliances of NERC Reliability Standards;⁴⁴
2. URE self-reported nine of thirteen violations;⁴⁵
3. URE was cooperative throughout the compliance enforcement process;
4. WECC reported URE had an effective compliance culture;
5. there was no evidence of any attempt to conceal a violation nor evidence of intent to do so; and
6. WECC determined the violations did not pose a serious or substantial risk to the BPS, as discussed above.

For the foregoing reasons, the NERC BOTCC believes that the proposed penalty of one hundred six thousand dollars (\$106,000) is appropriate for the violations and circumstances at issue, and is consistent with NERC's goal to promote and ensure reliability of the BPS.

⁴² See 18 C.F.R. § 39.7(d)(4).

⁴³ *North American Electric Reliability Corporation*, "Guidance Order on Reliability Notices of Penalty," 124 FERC ¶ 61,015 (2008); *North American Electric Reliability Corporation*, "Further Guidance Order on Reliability Notices of Penalty," 129 FERC ¶ 61,069 (2009). See also *North American Electric Reliability Corporation*, "Notice of No Further Review and Guidance Order," 132 FERC ¶ 61,182 (2010).

⁴⁴ URE had repeat violations of the same Reliability Standard. The Settlement Agreement correctly identified each repeat violation as set forth in the violation facts, but incorrectly stated in the penalty rationale that each violation was a first violation. As described herein, WECC considered that the settlement contained two repeat violations and determined that the repeat violations served as a basis for aggravating the penalty. Additionally, this notice of penalty was processed prior to the Commission's August 27 Guidance Order.

⁴⁵ The Settlement Agreement incorrectly states that six of the violations were self-reported.

Pursuant to Order No. 693, the penalty will be effective upon expiration of the 30 day period following the filing of this Notice of Penalty with FERC, or, if FERC decides to review the penalty, upon final determination by FERC.

Request for Confidential Treatment

Information in and certain attachments to the instant Notice of Penalty include privileged and confidential information as defined by the Commission's regulations at 18 C.F.R. Part 388 and orders, as well as NERC Rules of Procedure including the NERC CMEP Appendix 4C. Specifically, this includes non-public information related to certain Reliability Standard violations, certain Regional Entity investigative files, Registered Entity sensitive business and confidential information exempt from the mandatory public disclosure requirements of the Freedom of Information Act, 5 U.S.C. 552, and should be withheld from public disclosure.

In accordance with the Commission's Rules of Practice and Procedure, 18 C.F.R. § 388.112, a non-public version of the information redacted from the public filing is being provided under separate cover.

Because certain of the attached documents are deemed "confidential" by NERC, Registered Entities and Regional Entities, NERC requests that the confidential, non-public information be provided special treatment in accordance with the above regulation.

Attachments to be Included as Part of this Notice of Penalty

The attachments to be included as part of this Notice of Penalty are the following documents and material:

- a) Initiating Documents included as Attachment a:
 - a-1 URE's Self-Report for CIP-004-1 R2.1 and R3;
 - a-2 URE's Self-Report for CIP-004-1 R2.3 and R3;
 - a-3 URE's Self-Report for CIP-004-1 R4.2;
 - a-4 URE's Self-Report for COM-001-1 R2;
 - a-5 URE's Self-Report for FAC-003-1 R2;
 - a-6 URE's Self-Report for FAC-008-1 R1;
 - a-7 URE's Self-Report for FAC-009-1 R1;
 - a-8 WECC Audit Report, Public Version Screen Shots, for TPL-002-0 R1 and R2 showing a deemed date of September 11, 2008;
 - a-9 URE's Self-Report for TPL-003-0 R1 and R2 dated November 4, 2008;

- b) Settlement Agreement by and between URE and WECC, executed November 17, 2009, included as Attachment b;
- c) URE's Mitigation Plan designated as MIT-09-1626 for CIP-004-1 R2.1 and R3 submitted March 9, 2009 and Certification of Completion therein, included as Attachment c;
- d) WECC's Verification of Completion of the Mitigation Plan for CIP-004-1 R2.1 and R3 dated April 29, 2009, included as Attachment d;
- e) URE's Mitigation Plan designated as MIT-08-2324 for CIP-004-1 R2.3 and R3 submitted May 6, 2009 and Certification of Completion therein, included as Attachment e;
- f) WECC's Verification of Completion of the Mitigation Plan for CIP-004-1 R2.3 and R3 dated March 2, 2010, included as Attachment f;
- g) URE's Mitigation Plan designated as MIT-08-2062 for CIP-004-1 R4.2 submitted June 30, 2009 and Revised Mitigation Plan submitted October 20, 2009, included as Attachment g;
- h) URE's Certification of Completion of the Mitigation Plan for CIP-004-1 R4.2 dated December 18, 2009, included as Attachment h;
- i) WECC's Verification of Completion of the Mitigation Plan for CIP-004-1 R4.2 dated April 14, 2010, included as Attachment i;
- j) URE's Mitigation Plan designated as MIT-08-1182 for COM-001-1 R2 submitted September 30, 2008, included as Attachment j;
- k) URE's Certification of Completion of the Mitigation Plan for COM-001-1 R2 dated September 29, 2009, included as Attachment k;
- l) WECC's Verification of Completion of the Mitigation Plan for COM-001-1 R2 dated December 18, 2009, included as Attachment l;
- m) URE's Mitigation Plan designated as MIT-07-1794 for FAC-003-1 R2 submitted August 25, 2007 and Revised Mitigation Plan submitted December 30, 2008, included as Attachment m;
- n) URE's Certification of Completion of the Mitigation Plan for FAC-003-1 R2 dated January 23, 2009, included as Attachment n;
- o) WECC's Verification of Completion of the Mitigation Plan for FAC-003-1 R2 dated February 25, 2009, included as Attachment o;
- p) URE's Mitigation Plan designated as MIT-07-1782 for FAC-008-1 R1 submitted June 1, 2007, included as Attachment p;
- q) URE's Certification of Completion of the Mitigation Plan for FAC-008-1 R1 dated December 13, 2007, included as Attachment q;
- r) WECC's Verification of Completion of the Mitigation Plan for FAC-008-1 R1 dated July 16, 2008, included as Attachment r;
- s) URE's Mitigation Plan designated as MIT-07-0700 for FAC-009-1 R1 submitted November 30, 2007 and Mitigation Plan Extension Request Form dated April 3, 2008, included as Attachment s;

- t) URE's Certification of Completion of the Mitigation Plan for FAC-009-1 R1 dated July 29, 2008, included as Attachment t;
- u) WECC's Verification of Completion of the Mitigation Plan for FAC-009-1 R1 dated April 1, 2010, included as Attachment u;
- v) URE's Mitigation Plan designated as MIT-08-1303 for TPL-002-0 R1 and R2 submitted October 28, 2008 and Revised Mitigation Plan submitted December 30, 2008, included as Attachment v;
- w) URE's Certification of Completion of the Mitigation Plan for TPL-002-0 R1 and R2 dated September 30, 2009, included as Attachment w;
- x) WECC's Verification of Completion of the Mitigation Plan for TPL-002-0 R1 and R2 dated November 10, 2009, included as Attachment x;
- y) URE's Mitigation Plan designated as MIT-08-1304 for TPL-003-0 R1 and R2 submitted October 31, 2008 and Revised Mitigation Plan submitted December 30, 2008, included as Attachment y;
- z) URE's Certification of Completion of the Mitigation Plan for TPL-003-0 R1 and R2 dated September 30, 2009, included as Attachment z; and
- aa) WECC's Verification of Completion of the Mitigation Plan for TPL-003-0 R1 and R2 dated November 10, 2009, included as Attachment aa.

A Form of Notice Suitable for Publication⁴⁶

A copy of a notice suitable for publication is included in Attachment bb.

⁴⁶ See 18 C.F.R § 39.7(d)(6).

Notices and Communications

Notices and communications with respect to this filing may be addressed to the following:

<p>Gerald W. Cauley* President and Chief Executive Officer David N. Cook* Vice President and General Counsel North American Electric Reliability Corporation 116-390 Village Boulevard Princeton, N.J. 08540-5721 (609) 452-8060 (609) 452-9550 – facsimile gerry.cauley@nerc.net david.cook@nerc.net</p> <p>Christopher Luras* Manager of Compliance Enforcement Western Electricity Coordinating Council 155 North 400 West, Suite 200 Salt Lake City, UT 84103 (801) 883-6887 (801) 883-6894 – facsimile CLuras@wecc.biz</p> <p>*Persons to be included on the Commission’s service list are indicated with an asterisk. NERC requests waiver of the Commission’s rules and regulations to permit the inclusion of more than two people on the service list.</p>	<p>Rebecca J. Michael* Assistant General Counsel Davis Smith* Attorney North American Electric Reliability Corporation 1120 G Street, N.W. Suite 990 Washington, D.C. 20005-3801 (202) 393-3998 (202) 393-3955 – facsimile rebecca.michael@nerc.net davis.smith@nerc.net</p> <p>Louise McCarren* Chief Executive Officer Western Electricity Coordinating Council 155 North 400 West, Suite 200 Salt Lake City, UT 84103 (801) 883-6868 (801) 582-3918 – facsimile Louise@wecc.biz</p> <p>Constance White* Vice President of Compliance Western Electricity Coordinating Council 155 North 400 West, Suite 200 Salt Lake City, UT 84103 (801) 883-6885 (801) 883-6894 – facsimile CWhite@wecc.biz</p> <p>Sandy Mooy* Senior Legal Counsel Western Electricity Coordinating Council 155 North 400 West, Suite 200 Salt Lake City, UT 84103 (801) 883-7658 (801) 883-6894 – facsimile SMooy@wecc.biz</p>
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Conclusion

NERC respectfully requests that the Commission accept this Notice of Penalty as compliant with its rules, regulations and orders.

Respectfully submitted,

/s/ Rebecca J. Michael

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Attachments